

SBA



- Independent federal agency
- Created in 1953
- Offices in every state and province
- Approximately 2400 employees nationwide
- SBA is a very small agency
- The Tennessee District has 14 employees

Steven C. Preston

Administrator



Steven C. Preston was confirmed by the U.S. Senate by unanimous consent on June 29, 2006 as the 22nd Administrator of the U.S. Small Business Administration. In this capacity, he oversees the delivery of financial and business development tools to America's entrepreneurs. With a portfolio of direct and guaranteed business loans, venture capital investments and disaster loans worth almost \$80 billion, SBA is the largest single financial backer and facilitator of technical assistance and contracting opportunities for the nation's small businesses.

SBA Hall of Fame

What do these Companies have in common?

- **Nike**
- **Federal Express**
- **Columbia Sportswear**
- **Apple Computer**
- **UnderArmor**
- **Intel**
- **Quizno's**

7a Guarantee Program is versatile

- Proceeds can be used for a wide variety of business purposes
- Maximum guarantee is 85%
- 75% when loan exceeds \$150,000
- Maximum guaranteed dollars is \$1.5 million
- Total loan cannot exceed \$2 million

Loan Proceeds for Most Business Uses

7(a) loans may be used to:

1. Expand, renovate facilities
2. Buy machinery, equipment, fixtures, buildings and land for business
3. Finance receivables and augment working capital
4. Refinance existing debt (with compelling reason)
5. Finance seasonal lines of credit
6. Construct commercial buildings

Application Options for 7(a) Guaranteed loan Program

- Regular 7(a)
- PLP (Preferred Lender Program)
- *SBAExpress*
- *Community Express*

SBAExpress

- Loans up to \$350,000
- Lenders use their forms – No SBA forms are required
- Can be used for revolving line of credit
- Applications can be e-filed with SBA
- SBA guarantees 50% of the loan

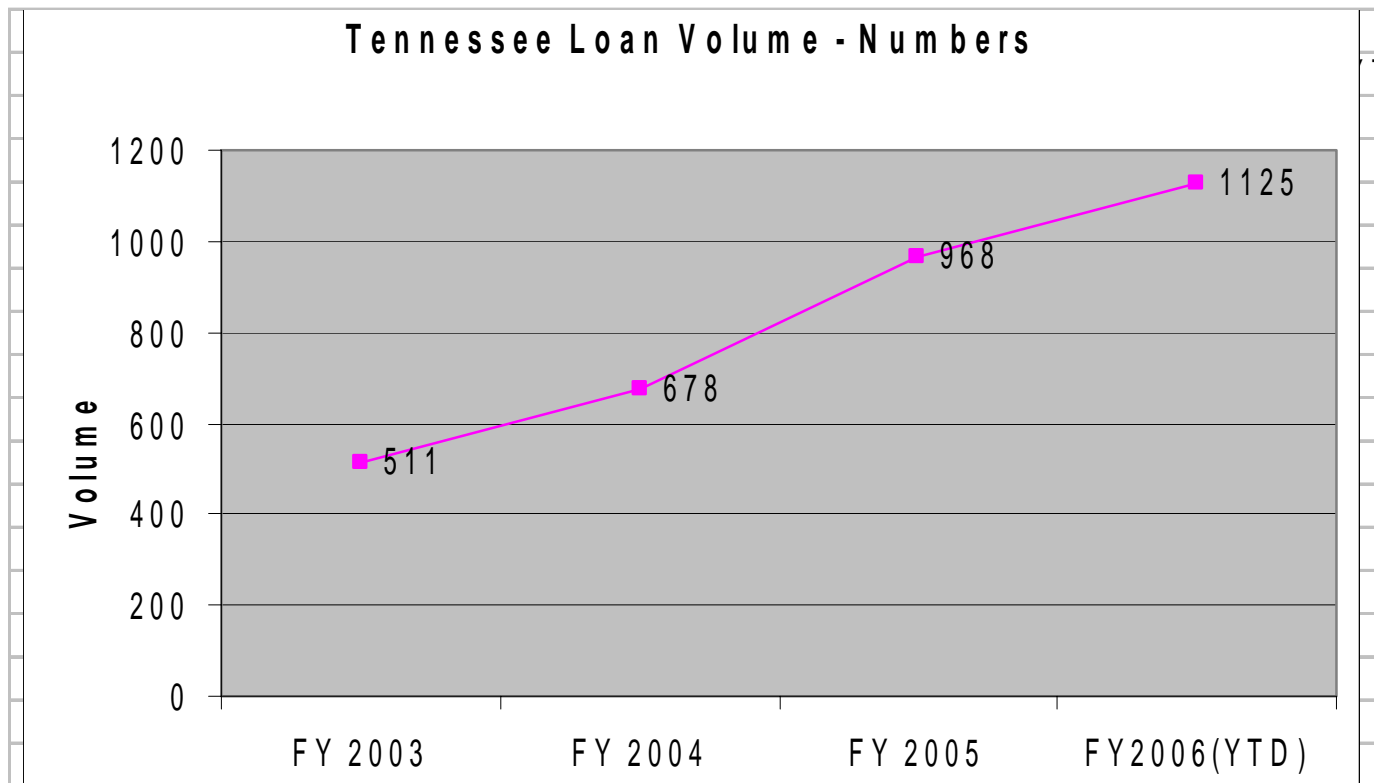
Community *Express*

Loans of up to \$250,000 maximum

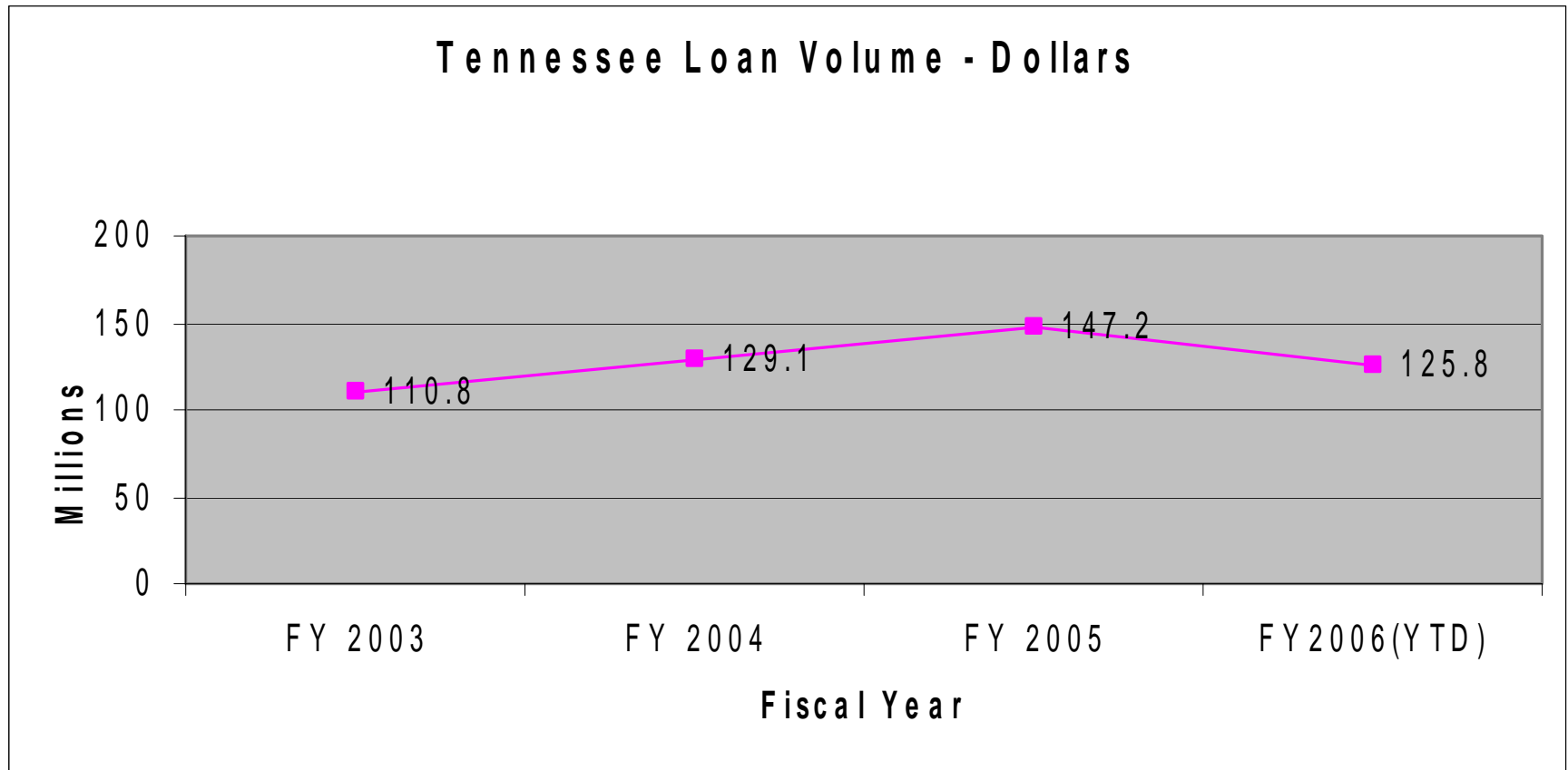
For loans under \$25,000

- **No Collateral**
- **No Financial Statements Required**
- **No Tax Returns**
- Full or part-time businesses are eligible
- Start-up, construction, home-based, internet or existing businesses are eligible.
- Must be operated for-profit
- Streamlined application process – credit decision within 7-10 days.
- Technical assistance will be provided, free of charge, if requested.

Tennessee Loan Volume – 7(a) Programs



Tennessee Loan Volume – 7(a)



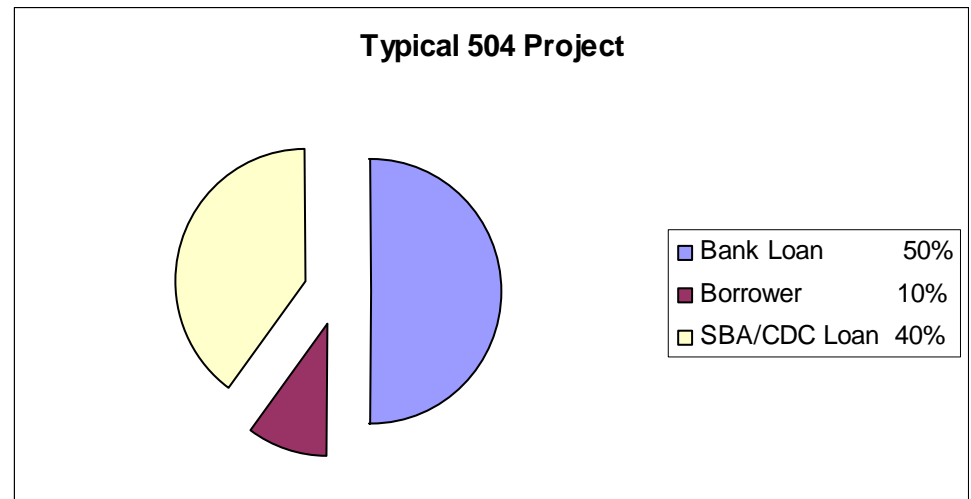
Leading 7(a) Lenders Tennessee

<u>Lender</u>	<u># Loans</u>	<u>Total \$ Amount</u>
INNOVATIVE BANK	285	\$ 3,460,000
BANK - AMERICA NA	182	\$4,567,400
US BANK	100	\$8,109,200
SUPERIOR FINANCIAL GROUP	63	\$490,000
CAPITAL ONE FED SVGS BANK	55	\$1,990,000
FIRST TENNESSEE BANK NA	35	\$5,050,500
BUSINESS LOAN CENTER	35	\$1,040,000
SUNTRUST BANK	25	\$1,852,200
<i>Total 7(a) Loans</i>	<i>1050</i>	<i>\$123,603,141</i>

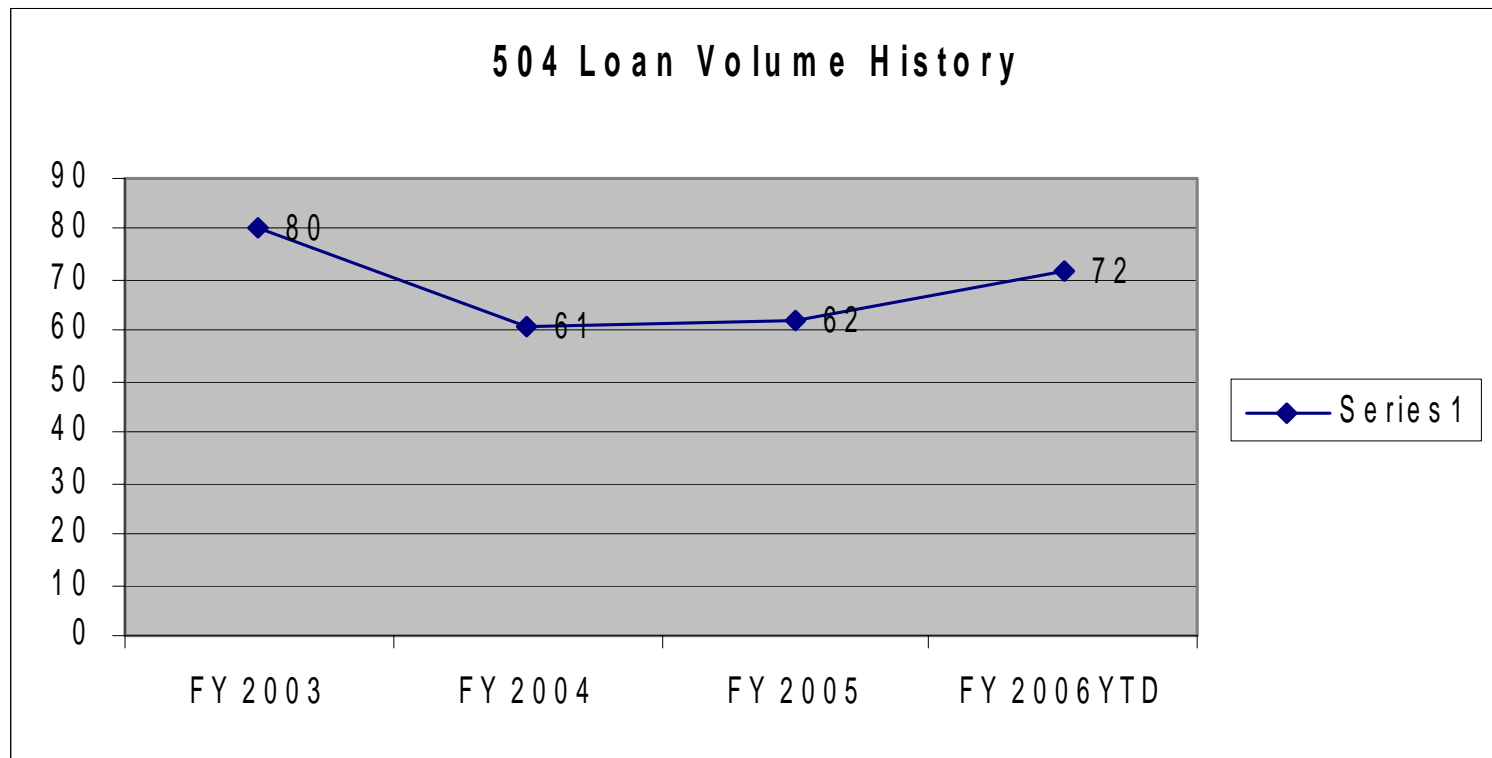
As of 8/31/2006

504 Loan Program

- Fixed Asset Financing
 - Can be used for:
 - Purchase land and construct new buildings
 - Purchase and renovate existing buildings
 - Acquire and install machinery
 - Expand existing facilities
 - Advantages:
 - Low down payment
 - as little as 10%
 - Long repayment term
 - 10 or 20 years
 - Low, fixed interest rate on 504 debenture

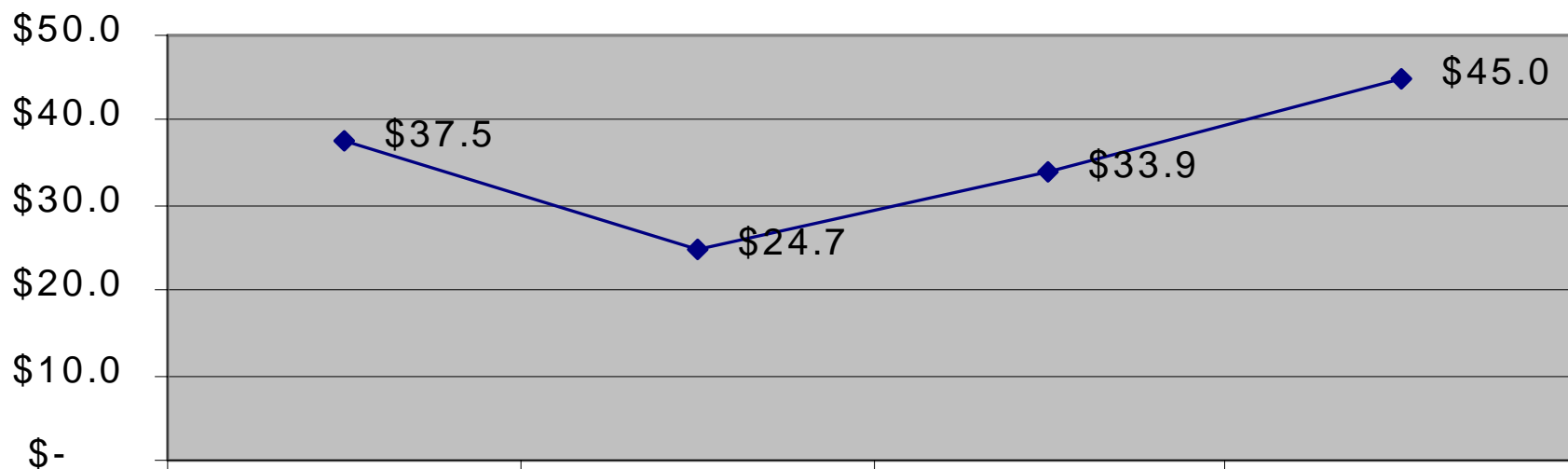


Tennessee Loan Volume – 504 Program



TN Loan Volume – 504 Program

504 \$'s (Millions)



Series1	\$37.5	\$24.7	\$33.9	\$45.0
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Tennessee Certified Development Companies

- Areawide Development Corp,
Alcoa, TN
- Mid-Cumberland Area Development Corp,
Nashville, TN
- South Central TN Business Development Corp,
Columbia, TN
- Southeast Local Development Corp,
Chattanooga, TN
- TN Business Development Corp,
Paris, TN
- Six Bridges Capital Corporation,
Little Rock, AR

504 Lenders

<u>CDC</u>	<u># Loans</u>	<u>Total \$ Amount</u>
MID-CUMBERLAND AREA DEV CORP.	28	\$15,087,000
AREAWIDE DEVELOPMENT CORP	11	\$7,846,000
TENNESSEE BUS DEVELOPMENT CORP	12	\$7,865,000
SOUTHEAST LOCAL DEVELOPMENT CORP	10	\$5,046,000
SIX BRIDGES CAPITAL CORPORATION	7	\$5,412,000
GEORGIA MOUNTAINS REGIONAL	1	\$713,000
SOUTHERN DEVELOPMENT COUNCIL	1	\$1,040,000
<i>TOTAL 504 LOANS</i>	<i>70</i>	<i>\$ 43,009,000</i>

As of 8/31/2006

The U.S. Small Business Administration

Office of Government Contracting and Business Development

- The mission of the SBA's Office of Government Contracting and Business Development is to increase small business access to procurement opportunities

Government Contracting

- Each year, our government spends billions of dollars in goods and services purchases from private firms.
- To encourage the use of small businesses in federal procurement, small business goals were established for federal agencies. SBA negotiates the goals annually with federal agencies.

Government Contracting

- Currently, the overall small business goal is 23%. This includes the specific goals of 5% to women-owned small businesses (wosb), 3% to service disabled veterans, 5% to small disadvantaged businesses, and the HUB Zone goal which is 3 percent

Government Contracting

- Under the Small Business Act, federal agencies conduct a variety of procurements that are reserved exclusively for small business participation. These transactions are called "small business set-asides".

8(a) Business Development Program

- Socially and economically disadvantaged
- Rigorous Certification Process
- 107 8(a) firms in Tennessee
- Able to compete for 8(a) set aside contracts
- Almost \$40 million per year in contracts

Resource Partners

SCORE

Service Corp of Retired Executives

SBDC

Small Business Development Center

WBC

Womens Business Center

Helpful Links

Calendar for Training Events:

www.sba.gov/tn

Counseling and other Start-up Questions:

Resource Partners

www.score.org

www.tsbd.org

www.onlinewbc.gov

Tennessee District Office

50 Vantage Way, Suite 201

Nashville, TN 37228-1500

615/736-5881

www.sba.gov/tn

Small businesses are truly the engine that drives the economy

- Small Businesses create 65% of all new jobs
- Small Businesses are 97% of America's exporters and produce 26% of all export value
- Small Businesses employ 45% of Tennessee non-farm private sector workers
- Small Businesses make up 97% of all Tennessee employers
- There are 471,316 Small Businesses in Tennessee – located in every community and every neighborhood

Can you imagine life without Small Businesses?